

DEBTOR:

Uptown Drink, LLC

INITIAL FINANCIAL REPORT

CHAPTER 11

CASE NUMBER:

11-47016

COVER SHEET

11/10/11
Date of Report

THIS REPORT IS DUE 15 DAYS AFTER THE PETITION FILING DATE

Mark One Box for Each
Required Document:

Debtor must attach each of the following documents or a satisfactory explanation for failure to attach a document. Submit original report to U.S. Trustee. Do not file report with Clerk of Court.

Document Attached	Previously Submitted	Explanation Attached	REQUIRED DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Latest Fiscal Year Financial Statements or Tax Returns
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet as of Month End Immediately Preceding Filing
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement for Month and Year Immediately Preceding Filing
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Proof of Insurance Coverage:
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	a. General Liability Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	b. Property (Fire, Theft, etc.) Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	c. Workers' Compensation Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	d. Vehicle Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	e. Other: <u>Liquor Liability</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Projected Revenue, Expenses and Cash Flow for First 180 Days of Post Petition Operations
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Name and Address of Financial Institution, Account Number and Sample Voided Check for Each Debtor in Possession Bank Account
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	a. General Account
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	c. Tax Account (if required)

I declare under penalty of perjury that the following Initial Financial Report, and any attachments thereto, are true and correct to the best of my knowledge and belief.

Executed on: 11/10/11

Debtor(s):

By:

Position:

Lindsay Brown
Office Manager

Form **1065**

Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income
For calendar year 2010, or tax year beginning _____, 2010,
ending _____, 20_____.
▶ See separate instructions.

OMB No. 1545-0099

2010

A Principal business activity

SALES

B Principal product or service
RESTAURANT

C Business code number
722110

Print
or type.

UPTOWN DRINK, LLC
1400 LAGOON AVE
MINNEAPOLIS, MN 55408

D Employer identification
number

33-1109516

E Date business started
5/01/2005

F Total assets (see instrs)
\$ 1,225,213.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☒ Address change (5) ☐ Amended return
(6) ☐ Technical termination — also check (1) or (2)

H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year 4

J Check if Schedules C and M-3 are attached ☐

Caution. Include *only* trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

INCOME	1a Gross receipts or sales	1a	2,412,805.	
	b Less returns and allowances	1b		1c 2,412,805.
	2 Cost of goods sold (Schedule A, line 8)	2	826,370.	
	3 Gross profit. Subtract line 2 from line 1c	3	1,586,435.	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4		
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5		
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6		
	7 Other income (loss) (attach statement)	7		
8 Total income (loss). Combine lines 3 through 7	8	1,586,435.		
SEE INSTRUCTIONS FOR DEDUCTIONS	9 Salaries and wages (other than to partners) (less employment credits)	9	559,209.	
	10 Guaranteed payments to partners	10		
	11 Repairs and maintenance	11	56,418.	
	12 Bad debts	12		
	13 Rent	13	345,145.	
	14 Taxes and licenses	14	62,839.	
	15 Interest	15	74,793.	
	16a Depreciation (if required, attach Form 4562)	16a	73,805.	
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c 73,805.
	17 Depletion (Do not deduct oil and gas depletion)	17		
	18 Retirement plans, etc.	18		
	19 Employee benefit programs	19		
	20 Other deductions (attach statement) SEE STATEMENT 1	20	336,259.	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21	1,508,468.	
22 Ordinary business income (loss). Subtract line 21 from line 8	22	77,967.		

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager

Date

May the IRS discuss this return
with the preparer shown below
(see instrs)? ☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if

PTIN

SCOTT A THORNTON, CPA

self-employed

P00009061

Firm's name

▶ MICHAEL G. KISSELL LTD.

Firm's EIN

▶ 41-1852084

Firm's address

▶ 7100 NORTHLAND CIR N STE 401
MINNEAPOLIS, MN 55428-1500

Phone no.

(763) 533-0340

BAA For Paperwork Reduction Act Notice, see separate instructions.

PTPA0105L 01/18/11

Form **1065** (2010)

Form 1065 (2010) UPTOWN DRINK, LLC 33-1109516

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Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	850,370.
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	850,370.
7	Inventory at end of year	7	24,000.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	826,370.

9a Check all methods used for valuing closing inventory:

- (i) ☒ Cost as described in Regulations section 1.471-3
 (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) _____

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) _____

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) _____

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☒ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If 'Yes,' attach explanation.

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:

- a ☐ Domestic general partnership b ☐ Domestic limited partnership
 c ☒ Domestic limited liability company d ☐ Domestic limited liability partnership
 e ☐ Foreign partnership f ☐ Other _____

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? ☒ Yes ☐ No

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

3 At the end of the tax year:

a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. ☒ Yes ☐ No

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. ☐ Yes ☒ No

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

4 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below. ☐ Yes ☒ No

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below. ☐ Yes ☒ No

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

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	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details.		X
6 Does this partnership satisfy all four of the following conditions?		
a The partnership's total receipts for the tax year were less than \$250,000.		
b The partnership's total assets at the end of the tax year were less than \$1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3.		X
If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2010, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country.		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year).		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions.		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	FUN GROUP, INC.	Identifying number of TMP	
If the TMP is an entity, name of TMP representative		Phone number of TMP	
Address of designated TMP	510 1ST AVENUE #500 MINNEAPOLIS, MN 55403		

Form 1065 (2010)

Form 1065 (2010)

UPTOWN DRINK, LLC 33-1109516

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Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 77,967.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach stmt)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a.	3c
	4 Guaranteed payments	4
	5 Interest income	5
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends	6b
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss)	9b
	c Unrecaptured section 1250 gain (attach statement)	9c
10 Net section 1231 gain (loss) (attach Form 4797)	10	
11 Other income (loss) (see instructions) Type ▶	11	
Deductions	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions SEE STATEMENT 2	13a 1,900.
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c (2)
d Other deductions (see instructions) Type ▶	13d	
Self-Employment	14a Net earnings (loss) from self-employment	14a 38,204.
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
	f Other credits (see instructions) Type ▶	15f
Foreign Transactions	16a Name of country or U.S. possession ▶	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	Foreign gross income sourced at partnership level	
	d Passive category ▶ e General category ▶ f Other. ▶	16f
	Deductions allocated and apportioned at partner level	
	g Interest expense ▶ h Other. ▶	16h
	Deductions allocated and apportioned at partnership level to foreign source income	
	i Passive category ▶ j General category ▶ k Other. ▶	16k
	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l
m Reduction in taxes available for credit (attach statement)	16m	
n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a -15,155.
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties — gross income	17d
	e Oil, gas, and geothermal properties — deductions	17e
	f Other AMT items (attach stmt)	17f
Other Information	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c
	19a Distributions of cash and marketable securities	19a
	b Distributions of other property	19b
	20a Investment income	20a
b Investment expenses	20b	
c Other items and amounts (attach stmt)		

BAA

Form 1065 (2010)

Form 1065 (2010) UPTOWN DRINK, LLC 33-1109516

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Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l.						1	76,067.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners...							
b Limited partners...	38,794.	37,273.					

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		6,395.		23,205.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				24,000.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach stmt)				
7 Mortgage and real estate loans				
8 Other investments (attach stmt)				
9a Buildings and other depreciable assets	1,751,248.		1,751,248.	
b Less accumulated depreciation	499,435.	1,251,813.	573,240.	1,178,008.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach stmt)				
14 Total assets		1,258,208.		1,225,213.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year		86,432.		77,370.
17 Other current liabilities (attach stmt)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		500,000.		400,000.
20 Other liabilities (attach stmt)				
21 Partners' capital accounts		671,776.		747,843.
22 Total liabilities and capital		1,258,208.		1,225,213.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	76,067.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest .. \$	
3 Guaranteed prmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation	
a Depreciation		8 Add lines 6 and 7	
b Travel and entertainment		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	76,067.
5 Add lines 1 through 4	76,067.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	671,776.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	76,067.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	747,843.
5 Add lines 1 through 4	747,843.		

SCHEDULE B-1
(Form 1065)
(December 2009)
Department of the Treasury
Internal Revenue Service

Information on Partners Owning 50% or More of the Partnership

OMB No. 1545-0099

▶ Attach to Form 1065. See instructions.

Name of partnership

UPTOWN DRINK, LLC

Employer identification number (EIN)

33-1109516

Part I **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
FUN GROUP, INC.		S CORP.	U.S.	51.000

Part II **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (12-2009)

651110

OMB No. 1545-0099

Schedule K-1
(Form 1065)**2010**Department of the Treasury
Internal Revenue ServiceFor calendar year 2010, or tax
year beginning _____, 2010
ending _____**Partner's Share of Income, Deductions,
Credits, etc.** **See separate instructions.****Part I Information About the Partnership**

- A** Partnership's employer identification number
33-1109516
- B** Partnership's name, address, city, state, and ZIP code
UPTOWN DRINK, LLC
1400 LAGOON AVE
MINNEAPOLIS, MN 55408
- C** IRS Center where partnership filed return
E-FILE
- D** ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

- E** Partner's identifying number
[REDACTED]
- F** Partner's name, address, city, state, and ZIP code
NEDAL ABUL-HAJJ
510 1ST AVENUE #500
MINNEAPOLIS, MN 55403
- G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member
- H** ☒ Domestic partner ☐ Foreign partner
- I** What type of entity is this partner? INDIVIDUAL
- J** Partner's share of profit, loss, and capital (see instructions):
- | | Beginning | Ending |
|---------|-----------|--------|
| Profit | 24.5 % | 24.5 % |
| Loss | 24.5 % | 24.5 % |
| Capital | 24.5 % | 24.5 % |
- K** Partner's share of liabilities at year end:
- | | | |
|---------------------------------|----|---------|
| Nonrecourse | \$ | |
| Qualified nonrecourse financing | \$ | 116,955 |
| Recourse | \$ | |
- L** Partner's capital account analysis:
- | | | |
|-------------------------------------|----|---------|
| Beginning capital account | \$ | 164,589 |
| Capital contributed during the year | \$ | |
| Current year increase (decrease) | \$ | 18,637 |
| Withdrawals and distributions | \$ | |
| Ending capital account | \$ | 183,226 |
- ☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)
- M** Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	19,102.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	-3,714.
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
A	465.	20	Other information
14	Self-employment earnings (loss)		
A	19,102.		

*See attached statement for additional information.

FOR
IRS
USE
ONLY

Schedule K-1 (Form 1065) 2010 UPTOWN DRINK, LLC 33-1109516

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
Passive loss		See the Partner's Instructions
Passive income		Schedule E, line 28, column (g)
Nonpassive loss		Schedule E, line 28, column (h)
Nonpassive income		Schedule E, line 28, column (i)
2 Net rental real estate income (loss)		See the Partner's Instructions
3 Other net rental income (loss)		
Net income		Schedule E, line 28, column (g)
Net loss		See the Partner's Instructions
4 Guaranteed payments		Schedule E, line 28, column (j)
5 Interest income		Form 1040, line 8a
6a Ordinary dividends		Form 1040, line 9a
6b Qualified dividends		Form 1040, line 9b
7 Royalties		Schedule E, line 4
8 Net short-term capital gain (loss)		Schedule D, line 5, column (f)
9a Net long-term capital gain (loss)		Schedule D, line 12, column (f)
9b Collectibles (28%) gain (loss)		28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c Unrecaptured section 1250 gain		See the Partner's Instructions
10 Net section 1231 gain (loss)		See the Partner's Instructions
11 Other income (loss)		
Code		
A Other portfolio income (loss)		See the Partner's Instructions
B Involuntary conversions		See the Partner's Instructions
C Section 1256 contracts and straddles		Form 6781, line 1
D Mining exploration costs recapture		See Pub 535
E Cancellation of debt		Form 1040, line 21 or Form 982
F Other income (loss)		See the Partner's Instructions
12 Section 179 deduction		See the Partner's Instructions
13 Other deductions		
A Cash contributions (30%)	See the Partner's Instructions	
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense		Form 4952, line 1
I Deductions — royalty income		Schedule E, line 18
J Section 59(e)(2) expenditures		See the Partner's Instructions
K Deductions — portfolio (2% floor)		Schedule A, line 23
L Deductions — portfolio (other)		Schedule A, line 28
M Amounts paid for medical insurance		Schedule A, line 1 or Form 1040, line 29
N Educational assistance benefits		See the Partner's Instructions
O Dependent care benefits		Form 2441, line 12
P Preproductive period expenses		See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities		See Form 8582 Instructions
R Pensions and IRAs		See the Partner's Instructions
S Reforestation expense deduction		See the Partner's Instructions
T Domestic production activities information		See Form 8903 Instructions
U Qualified production activities income		Form 8903, line 7b
V Employer's Form W-2 wages		Form 8903, line 17
W Other deductions		See the Partner's Instructions
14 Self-employment earnings (loss)		
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		Schedule SE, Section A or B
B Gross farming or fishing income		See the Partner's Instructions
C Gross non-farm income		See the Partner's Instructions
15 Credits		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings		See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings		See the Partner's Instructions
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		Form 8586, line 11
D Low-income housing credit (other) from post-2007 buildings		Form 8586, line 11
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions	
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit		Form 1040, line 71; check box a
I Alcohol and cellulosic biofuel fuels credit		Form 6478, line 8
J Work opportunity credit		Form 5884, line 3
16 Foreign transactions		
A Name of country or U.S. possession	Form 1116, Part I	
B Gross income from all sources		
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level		
D Passive category	Form 1116, Part I	
E General category		
F Other		
Deductions allocated and apportioned at partner level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive category	Form 1116, Part I	
J General category		
K Other		
Other information		
L Total foreign taxes paid		Form 1116, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Partner's Instructions
17 Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251	
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal — gross income		
E Oil, gas, & geothermal — deductions		
F Other AMT items		
18 Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Partner's Instructions
C Nondeductible expenses		See the Partner's Instructions
19 Distributions		
A Cash and marketable securities	See the Partner's Instructions	
B Distribution subject to section 737		
C Other property		
20 Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Fuel tax credit information		Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
E Basis of energy property		See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
G Recapture of low-income housing credit (other)		Form 8611, line 8
H Recapture of investment credit		Form 4255
I Recapture of other credits		See the Partner's Instructions
J Look-back interest — completed long-term contracts		See Form 8697
K Look-back interest — income forecast method		See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions	
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(f)(3) information		
P Section 453A(c) information		
Q Section 1260(b) information		
R Interest allocable to production expenditures		
S CCF nonqualified withdrawals		
T Depletion information — oil and gas		
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Precontribution gain (loss)		
X Section 108(f) information		
Y Other information		

PARTNER 1: NEDAL ABUL-HAJJ

PTPA0312L 01/25/11

Schedule K-1 (Form 1065) 2010

651110

OMB No. 1545-0099

Schedule K-1
(Form 1065)**2010**Department of the Treasury
Internal Revenue Service

For calendar year 2010, or tax

year beginning _____, 2010

ending _____, 2010

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number
33-1109516**B** Partnership's name, address, city, state, and ZIP codeUPTOWN DRINK, LLC
1400 LAGOON AVE
MINNEAPOLIS, MN 55408**C** IRS Center where partnership filed return
E-FILE**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number
[REDACTED]**F** Partner's name, address, city, state, and ZIP codeSTEVE ROWLAND
118 KENWOOD PARKWAY
MINNEAPOLIS, MN 55403**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I** What type of entity is this partner? INDIVIDUAL**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	12.25 %	12.25 %
Loss	12.25 %	12.25 %
Capital	12.25 %	12.25 %

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	58,478.
Recourse	\$	

L Partner's capital account analysis:

Beginning capital account	\$	82,291.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	9,318.
Withdrawals and distributions	\$	
Ending capital account	\$	91,609.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	9,551.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	-1,856.
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
A	233.	20	Other information
14	Self-employment earnings (loss)		
A	9,551.		

*See attached statement for additional information.

FOR IRS USE ONLY

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2010

PARTNER 2

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